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THE PERSONNEL POLICIES OF THE A. NASH COMPANY

The history of the A. Nash Company is a history of its dominating personality, Mr. Nash.

The parents of Mr. Nash were devoted Seventh-Day Adventists and he says, "The vision of a stern omnipotent God filled my daily life." Part of his education was in a Seventh-Day Adventist school in Detroit where he was to fit himself for the ministry. Experience causing him to waver somewhat in his stern religious beliefs, he left school, went home, and took to the road as a tramp. At various odd jobs he earned his living—lathing, plastering, broom-making, and finally managing a laundry. He married and to quote his own words, "My wife's fine faith revived the embers of my own." He became convinced that his opposition to Christianity was after all merely an opposition to some of its applications. He decided to enter the ministry and in 1900 secured a charge in a Christian church in Bluffington, Ohio. A request for his resignation, made by some who did not approve of his ideas, ended his ministry. He then started selling clothes among farmers, for a Chicago firm. In 1909, in Columbus, he began to make men's clothing and to sell it directly to the public. The year 1916 found him in Cincinnati, established with a capitalization of \$60,000, and employing twenty-nine workers. Today, with workers numbering close to 600, the firm has a paid-up capital stock of \$400,000, owns what was formerly a brewery purchased at a cost of \$385,000 and equipped with the most recent types of basting and pressing machines, has built an addition to it to accommodate one hundred workers and has a lease on a six-story structure with a fifty-foot frontage. The total volume of business done in 1921 amounted to \$2,072,559.00.¹

¹ The rapidity of growth is demonstrated by the tables shown in the note on the following page.

If you ask Mr. Nash the cause of his success he will reply: 'It lies in the application to business of the Golden Rule. The Golden Rule is the divine law governing human relationships; it is the only infallible, workable rule in the universe today. This Golden Rule has been made to work not only for the benefit of the workers and the firm, but also for the benefit of the customers.' To this he adds: "I do not mean the Golden Rule as altered and emasculated by many teachers and churches but the true Golden Rule of Christ himself as Christ meant it to be applied."

Mr. Nash impresses one as a man with a consuming desire to dominate, to control. Question him and he will take the interview out of the hands of the questioner and run into twenty little shops of his mind and insist that you examine the goods he has on display there. The Golden Rule is the hub. Back to it he comes. Then a story to illustrate. A few scattering comments on life. Back to Christ's statement. More stories. You ask questions. They are answered by generalities. You seek factual evidence. No, that is business; that can't be given out. You ask for the names of assistants who will explain

¹ (Continued from page 212.)

NUMBER OF ORDERS RECEIVED BY PERIODS

January 1 to June 30, 1918.....	4,814
January 1 to June 30, 1919.....	17,417
January 1 to June 30, 1920.....	32,663
January 1 to June 30, 1921.....	50,241
July 1 to December 31, 1921.....	51,627

SALES BY PERIODS

12 months, 1917.....	\$ 128,144.18
12 months, 1918.....	132,190.28
12 months, 1919.....	525,678.43
12 months, 1920.....	1,580,700.46
12 months, 1921.....	2,072,559.00

CAPITALIZATION BY PERIODS

June, 1916.....	\$ 60,000
January 1, 1920.....	90,000
January 1, 1921.....	300,000
January 2, 1922 (issued but not wholly paid up).....	800,000

Since 1916 the stock has paid 8 per cent in dividends with an extra stock dividend January 2, 1920, which converted \$140,000 in surplus to the capital account.

(you hope more directly) what is actually going on at the Nash plant. He gives a list of names. You leave. You have learned nothing other than that Mr. Nash is an unusual man with an unusual history, an unusual salesman, unusually indefinite. You hope his failure to appreciate the value of factual material will not be reflected in other officers of the business. But when you leave, you leave behind the man who, above all, is responsible for the A. Nash Company.

Continuing the investigation among the executives, you find that Mr. Nash has committed them quite definitely to his leadership. They are a loyal group. Their loyalty is explainable by their respect for Mr. Nash who has built up the business, their lack of knowledge of financing and buying (which has been conducted wholly in this one-man enterprise by Mr. Nash), and the fact that they have had opportunity to buy an interest in the business. Mr. Nash owns the majority of the stock and hence possesses the real control in the corporation but the other executives hold substantial amounts of stock and in a very real sense feel that they, too, are part owners of the business. Mr. Camello, who has been a clothing contractor and at present has an interest in a contract shop, controls to a great extent the policies of production in the coat and vest shops, but the other executives have been delegated little power; they accept Mr. Nash's leadership and administer as instructed to the utmost detail.

MARKETING METHODS

While the main interest in the Nash experiment lies in its personnel policies, it is necessary to see the character of the business enterprise through which the policies function. In particular, the marketing methods of the business are so interesting and so related to the personnel problems and policies that some consideration of them cannot well be omitted.

In the field of marketing the A. Nash Company is somewhat unique. Tailored-to-measure suits are sold direct to customers through salesmen who personally solicit orders. Two grades of suits are made which sell for \$16.50 and \$23.50 respectively, the salesman's commission being \$2.50 in the cheaper grade and

\$3.50 on the better grade. This sum is collected by him from the customer at the time of ordering and retained as his pay in full. Upon completion, suits are mailed from Cincinnati to the customer C.O.D. The salesman is responsible for slight alterations, the firm for serious ones.

To accommodate cases of rejections and to aid in administration, four so-called Nash service stations have been opened in Kansas City, Chicago, Boston, and New York City. These stations simply display goods, make some alterations, control the sales force of the particular city, and sell rejected clothes to small retailers at cut prices averaging from \$12 to \$14 for the better grade of suits. No attempt is made to hold rejected suits for possible subsequent orders. A few suits are sold at \$18.00 for \$23.50 quality from these offices to customers who will not wait for a made-to-order suit but no effort is made to push this practice. Neither does the firm solicit orders to be sent in direct to the factory by customers. When such are received they are commonly referred back to a salesman in the vicinity from which the order has been received. The company proposes to sell tailored-to-measure suits through salesmen, each suit made up completely after measurements have been received, and its practices are in accord with its policy.

The advantages of the Nash Company's method of distribution are somewhat patent. The sales force receives its pay as it sells; the firm its money when the suit is delivered. There are no delayed payments, no bad debts. Rejected goods are converted quickly into money. The capital tied up is largely in stocks of woollens which are purchased from time to time but usually in quantity twice a year and carried by bank loans if necessary, or on extended credit. A real problem lies, however, in the rejected suits which average close to 15 per cent. And yet even with this handicap the economy of the selling plan has undoubtedly been a great factor in the success of the Nash Company.

Backing up the efforts of its salesman is a great mass of publicity. The firm, in fact, presents the anomaly of a business which does not advertise and yet has been one of the most

widely advertised made-to-measure houses in the country. That Mr. Nash himself is the center of all this is apparent. Advertising is in his personality, his methods, his ideas. The demand for information which follows his public utterances and articles manifests itself in numerous letters and investigators. These, in turn, mean more publicity. To answer these demands Mr. Nash has upon his desk pamphlets containing his speeches and some of the facts concerning the company's growth, and he meets many investigators personally. Then, too, news items are sent directly to the newspapers.

The clothing industry is of course seasonal but this fact has not thus far greatly affected the personnel problem of the Nash Company. The company requests from two to four weeks in which to finish an order and this leeway, together with the fact that the orders have been steadily increasing during the past two years, has simply permitted workers to catch up on back orders during dull seasons. During the holidays orders ran low but this was met by the alternate closing of the two shops for a week each, thus giving the workers in each case a vacation of one week which was granted with full pay. The failure of orders, however, during January and part of February to meet expectations caused a problem which was met with rationing employment, seven and a half hours being deducted from the work week. At the present writing business is picking up and unemployment has practically ceased.

As the firm ceases to expand it will no longer be in the strategic position it has occupied during a large part of 1919 and 1920, the salesmen must be pushed to secure more orders and to secure them more evenly throughout the year. So far the marketing policy has been little more than that of skimming the market but the increasing overhead in the form of new buildings and equipment calls for a program of intensified selling. In evolving this intensified program it seems necessary either (a) to increase the number of salesmen, or (b) to increase the outlay for advertising, and probably both. The method of distribution employed by the Nash Company does not lend itself to the methods of advertising commonly employed by clothing manufacturers. There can be no window displays. The firm cannot supply cuts to its distrib-

utors and cause them to pay or share the expense of local advertising. Moreover, the publicity that has been given the Nash Company has tended to remove the mystery concerning its success. It is no longer a miracle; it is an explicable phenomenon, imperfect, human. The momentum which has been secured from the publicity so far given will tend to continue but by degrees the force will spend itself.

Many manufacturing concerns, interested in the Nash method of distribution, claim that canvassing is very likely to prove an expensive method of distribution when considered from a long-run point in view. They point out that companies dealing directly with consumers in the later stages of development have often been forced to resort to local and national advertising to back up their salesmen. But as long as salesmen can be secured on the present commission basis, it does not follow that such a type of distribution will prove expensive for the Nash Company. One problem of the clothing business has been the cost of distribution. The retailer has commonly exacted a third of the selling price for his services which on a suit selling at \$23.50 would be close to \$8.00.¹ In addition, there have been the costs of distribution of the wholesaler which have tended to increase as the struggle for customers has become more tense. The Nash Company's expense at present is largely limited to the initial commission of either \$2.50 or \$3.50 per suit, the cost attending rejected suits and their resale to retailers, the serious alterations, and a sales department which is managed by one man with the assistance of a group of stenographers. It has many elements of economy which seem possible to retain as the business expands. Its salesmanship control is casual. Many of the customers are casual types. Different customers can be secured each time for almost an indefinite period.

THE GOLDEN RULE PERSONNEL POLICIES

Mr. Nash became inspired with his Golden Rule principle the latter part of 1918. For two years business had been poor,

¹ The total expenses of retailers per \$100 of total net sales for 1919, 1918, and 1914 was \$22.69 according to the clothing survey of the Northwestern School of Commerce.

and he says: "Like millions of others I was doing much heart-searching and sincere thinking." Realizing that "the clothing industry was the poorest paid industry in the world," in accord with his principle he increased the wages of his workers from 50 to 300 per cent although his sons predicted the step would mean bankruptcy. At this time he had just taken over a half-floor in what was known as the Powers Building in Cincinnati, a building largely occupied by clothing manufacturers. The increase was seemingly made voluntarily but the amount of the increase and the total addition to the pay-roll would not be accurately indicated unless qualified by the fact that the workers were a badly sweated group of but twenty-nine with weekly wages as low as \$4.00. This step was followed by a series of wage adjustments as follows:

July 1, 1920—A distribution to the workers of a share of the profits for the preceding six months which amounted to about \$3.50 a week.

January 1, 1921—A distribution of about \$3.90 a week for the six months' period.

June 1, 1921—Two-dollar wage increase retroactive to April 1. Bonus discontinued. Step proposed by a committee of management and accepted by vote of workers without knowledge as to the amount of bonus due.

These increases were made, in the main, during a period in which wages were rising throughout the industry and particularly in Cincinnati (where the unions were seeking to get control), but more recently on January 2, 1922, after wages were falling in most markets, Mr. Nash introduced a resolution increasing the wages of the weekly workers 10 per cent and declaring a five-day week of forty hours to be the policy of the shop. In support of this resolution he made the following comments:

Most of our workers who have children have told me that during the week while their children were in school they felt reasonably comfortable and assured regarding them, but on Saturday morning when their children were released from the restraint of school, and they do not know where their children are, that they are constantly worried. So long as a very large percentage of the children of this country are growing up with lack of a mother's care, just so long will we continue to produce a large crop of

criminals and outlaws, and I am sure that the time has come when, if civilization is to be saved, that our *industries must stop using men and women to make money and go to using money to make men and women.*

The church lays upon us the duty of going to service on the Sabbath. If a woman works six days at a machine how is she going to church on the Sabbath? That is the only day she has to clean house, tidy up her home, and perhaps do her washing. . . .

Our laws allow every man the privilege of observing the Sabbath which he believes conscientiously to be right, but our industries say to the Seventh-Day Adventists, Seventh-Day Baptists, and orthodox Jews, you cannot observe what you believe to be the Sabbath of the Lord your God and hold a position in our place. When we put our factories on a five-day-week basis, we will make religious liberty a reality in industry.

As an example of how fair the responding group mind can be even when it reaches the stage of self-sacrifice, Mr. Nash cites the following document which was circulated in the plant at the close of a profit-sharing period which the Nash Company invoked during the part of 1920, when "Cost of production varied so greatly it was difficult to set wages at proper levels":

Realizing that the A. Nash Company is using every effort to be truly just and democratic, and realizing that in making the final adjustment of wages on the profit-sharing basis a very large share of this final payment, as at present intended, would go to those making big wages, and heartily agreeing with the management that it is not just that the lion's share of the profits should go to any individual, or small group of individuals, we, the undersigned, all of whom are drawing a weekly wage of over sixty dollars (\$60), do hereby petition the management of the A. Nash Company to distribute the workers' share of profits, which is to be distributed July 1, 1920, on the basis of time worked instead of on the basis of wages drawn.

This will give those making the smaller wage an equal dividend with those making the larger one, and we believe is not only needed by them, but is just and in keeping with the policy of our Company. We are sure this will be appreciated by all the help.¹

¹ The signers of this document include such executives as Edmund T. Clayton, sales manager, Bertha A. Fisher, vice-president and secretary, Gus W. Camello, foreman in charge of production, and R. A. Carson, chief designer, who not only own stock but who with the exception of R. A. Carson, also are members of the board of directors of the Nash Company. Whether or not the document was inspired by one of these is not certain. It is cited as an example of a spontaneous urge of good will surging from the best-paid groups to the less fortunate. That the executives should be included in such a petition is due to Mr. Nash's classification which declares all employees of the Nash Company excepting himself to be workers.

In method Mr. Nash is not a respecter of usual personnel policies. He has no personnel manager or personnel department in his plant. The workers, recruited by suggesting to those already in the plant that openings exist for additional help, are set to work by the particular executive who supervises the work the newcomer is expected to do at a beginning wage which for women and girl workers is uniform. After an employee has been hired there is no system of education provided for in the organization of the company, it being expected that the new worker will be trained by her friends or co-workers who often remain overtime or work at noon to break in new girls. If a worker is not adapted to the task which is first assigned her, an effort is made to shift her until a job for which she is fitted is found. This shifting is done by the foreman of the department in which she secures her first job, but it often involves transferring the girl to another department to a task more fitted to her adaptabilities. There are no time clocks in the establishment, no system of promotion has been established, no job analysis. These and the hundred and one concerns of the usual personnel director, the investigator is told, take care of themselves.

There are no particular safety devices in the plant, safety propaganda is not engaged in. Sanitary conditions are thoroughly decent. Aside from a baseball and a bowling team there have been no attempts by the workers to engage in athletic or social activities. When the Nash Company moved into its plant on Eighth Street, Mr. Nash suggested to a meeting of workers that the upper floors which were then vacant be equipped with restrooms, a library, and a lunchroom. The employees voted the proposition down, stating it was their desire to get their pay in their envelopes at the end of the week. They wanted no charity. This is Mr. Nash's statement and he points out that this is a case where the group mind was superior to the individual mind, that is, his own. "Don't hinder its functioning with a lot of extraneous detail stunts; don't even letter your buildings with the title 'The Golden Rule Clothiers.' If the heart is right things will work out."

No machinery for industrial government has been evolved, at least no formal machinery. There is no system of workers' representation, no election of delegates to meet with management to work out problems of concern to both. No definite dates are set for such meetings as are held at intervals of from a month to six months. Usually they are called by Mr. Nash and all the workers are invited to attend. Anyone can speak who has anything to say; anyone can introduce a resolution or debate for or against an issue. These meetings are supposed to permit general participation—an opportunity for the group or mass mind to function. There is nothing, of course, to prevent the workers from holding meetings more frequently if they desire. They could meet as groups in advance of the more formal gatherings, possibly, and talk matters over but it is not done to any great degree.

The workers in the shop can be placed into two rather rough categories, first, the cutters and tailor-shop workers, off-pressers, and others who perform the more skilled operations, and second, the less highly skilled needle and machine operatives. The workers in the tailor shop are largely Italians, men who have had experience elsewhere. Temperamentally, Italians are easily excited by situations which appear to them to represent injustice. On the whole, however, they do not have the group unity that exists among Jewish clothing workers who are not only class conscious but have more or less definitely formulated ideas of how to meet given situations. There are very few Jews in the Nash Company and the Italians have so far been handled without great difficulty.

The groups engaged in the less highly skilled operations are chiefly girls and women, with a generous sprinkling of older men and a few young men. Some of them have been with Mr. Nash since the early days and the later additions have been largely recruited, not through advertising but through suggesting to the workers already there that they bring in friends who could do the work, and who would fit into the spirit of the Nash Company. In this way considerable inbreeding has occurred

and a family spirit of a sort has arisen, notwithstanding the short time the firm has been operating and the rate of speed with which it has been expanding. The extent to which this practice has brought about the presence of like elements is shown in the vest shop where 70 per cent of the operatives are Seventh-Day Adventists.

The Seventh-Day Adventist workers are worthy of consideration in some detail. As might be expected, the followers of the faith as a group are tense. Subscribing to principles which set them aside as a sort of odd minority, and which commit them to the observance of a Sabbath for which the world in its functioning makes no allowance, this is to be expected; otherwise they would not be of that faith. There is evidence that in so far as the workers are Seventh-Day Adventists the policies of the Nash plant have possessed for them a group appeal. The hymns at the workers' meeting, the talks of Mr. Nash upon religious concepts, the attention the experiments of the Nash Company has attracted around the country, the stressing of ideas of brotherhood, and the frequent assertion of the dependence of the plant upon their co-operation have found a response, beyond doubt, in some of the workers. This group appeal has served as a foundation on which many of the Nash policies have been built, and the peculiar intensity of conviction of the Adventists, once enlisted behind an idea, is not easily diverted or thwarted by less closely knit, and less consistent, groups.

The pay-roll of the Nash Company is not open to the investigator,¹ but certain data are given which, although incomplete, are of some value in understanding the situation. The wage paid the cutters in December was 53 cents per garment. In the Chicago market the pay of the cutters is \$45.00 a week with nine to fifteen and possibly more suits, in a few cases, as the standard daily performance. The piece rate of the Nash cutters does not mean, however, that the total wages received by an operative over a period of time do not exceed those received

¹ *New Republic*, February 22, 1922, prints information on this topic but its figures are based upon reports made by organizers of the Amalgamated which is trying to organize the plant, and cannot be considered wholly reliable.

in a union shop. Work, on the whole, was continuous during 1919, 1920, and 1921; moreover, since there were no time clocks in the concern, cutters have been permitted to work extra hours, although the plant was supposedly on the forty-four-hour basis until this schedule was recently supplanted by the forty-hour-week.

Some testimony concerning the extra hours of these piece workers is contained in the following excerpt taken from a letter written to the Amalgamated by a non-union cutter in response to a bulletin calling upon the cutters to organize:

. . . Some of the cutters would ride the owl car and get down at daybreak. This in the summertime, too. It is a fact that the night watchman on many occasions would respond to the hammering on the cellar door and open the alley entrance for some of these industrious cutters.

You say the workers are not paid for overtime. We being on piece work could not claim to be working overtime.¹ We did not know when we entered the zone of overtime.

Then, too, the quality of work insisted upon has not been high and workers have been able to turn the suits out with a surprising degree of speed. The somewhat common testimony of the cutters is that total wages received over a period of time have not been low; on the contrary, they have earned more than they could in union shops. The wages of the week workers, particularly that of the beginners, are the wages of the unorganized market. Mr. Camello, who sets the wages of many unskilled operators, keeps in touch with the wages paid by other Cincinnati firms.

The relation between Mr. Nash and the unions is an essential part of the story of his personnel control. There is no doubt that a struggle exists which threatens to interfere with policies within the shop. Much discussion has been carried on between the unions and Mr. Nash. Mr. Nash has often declared that although he has a non-union shop, he has had the indorsement of the labor organizations of that city, citing in particular that during the big garment trades strike that swept Cincinnati his factory was the only one of the industry that was not affected.

¹ It does not occur to this worker that the company could set standards of time within which work should be done.

The unions answer this statement by insisting that Mr. Nash has not the indorsement of the labor organizations of Cincinnati. As to the big trade strike that swept Cincinnati in 1919, the amalgamated organizers point out that the strike of 1919 was an unorganized uprising with very poor leadership, at a time when Mr. Nash was but a small producer in the clothing field. The reaction of the strikers was most severe against the larger producers; but Nash's plant was picketed and his freedom from serious consequences was not due to the fact that he had union support but to the fact that the strikers were weak, their leadership poor, and their methods of picketing not wholly successful.

In his public addresses Nash defends labor unions as often or even more often than he attacks them. "Labor unions seem to me," he says, "to be the physicians of industrial ills." Moreover, he has gone so far as to declare that he does not object to having the unions organize his working force, and when the clothing strike of 1919 was in progress it was Nash himself who introduced the following resolution in a meeting of his workers:

WHEREAS, there is at present time nation-wide agitation regarding the so-called "open-shop," and it being our desire to be absolutely neutral, but recognizing the fact that in order to do so we will be forced to take certain definite positions, therefore, be it

Resolved: That the A. Nash Company, or its workers, will not make work for any company where a fight between the Company and the Union is in progress. And be it further

Resolved: That if any of our help should take a job where Union help has been locked out because of their membership in the Union, that they will be looked upon by our entire organization as unfair to labor in general.

So far, however, the attitude within the plant has not fostered the growth of unionization among the workers. To illustrate: One morning a petition was circulated, which declared that the workers in the Nash plant believed in the Golden Rule and in the success of that plan in operation; therefore, they would promise to stand by it, and any worker who joined the Amalgamated would be considered unfair to the group. The petition was circulated and signed by Mr. Camello and a number of workers. Shortly thereafter Mr. Nash appeared at the factory, called a meeting of the workers, spoke at some length to the

effect that he had always been friendly to unionism, but inasmuch as the workers of the A. Nash Company had expressed their position in regard to unionism, he, as their president, felt bound to accept their decision.¹

Meanwhile, the Amalgamated Clothing Workers are engaged in attempting to organize the shop by personal solicitation and by scattering printed pamphlets. Each move within the Nash plant is met by a counter-move by the Union. As an answer to Mr. Nash's move, for example, in increasing, on January 2, 1922, the worker's pay and decreasing the work week to forty hours, the Amalgamated published the following bulletin:

The Amalgamated Clothing Workers congratulates the workers of the A. Nash Clothing Tailoring Company on their improved conditions, which are the direct, immediate results of Amalgamated circulars and propaganda. If fear of Unionism has given you forty hours and 10 per cent increase, think what complete organization will accomplish.

Will your forty hours benefit you when you are forced to work overtime?

Why did not Mr. Nash include time and a half for overtime?

What is 10 per cent increase to women who make from \$10 to \$16, which is not a decent living wage? Union wages would permit a higher standard of living.

Before you invest one hard-earned penny in the Golden Rule stock, think it over carefully. Suppose that you were sick, fired, or quit your job. How much money would you get for your stock? Your stock binds you to your job.

Have you forgotten what happened to your bonus?

Unionism is a protection because it guarantees a *living wage*, *protection against unjust discharge*, a *real voice in your working conditions*, and above all, *self-respect*.

Workers of the Golden Rule awake, you have nothing to lose but Bunk and everything to gain.

¹ When the petition circulated through the plant declaring the workers' faith in the Golden Rule five workers, the Amalgamated says, were discharged for not signing. This is denied by Mr. Nash and Mr. Camello who state that the employees in question were dismissed because they were inefficient and their discharge was requested by their fellow-workers. Experienced labor managers will recognize that it is wholly possible to secure an overwhelming demand that certain workers be discharged if there is a half-clever executive on the floor. Many firms have for years been able to carry on such tactics and to declare that the workers did not believe in organization. It is not necessary to inquire too closely what the situation is in the Nash plant in this particular. The threat of unionism is in itself a contradiction to talk of complete satisfaction, and that threat is a very real one to the Nash Company.

There can be no certainty at the present time that the workers of the Nash Company will take out union cards to any great extent. Aside from the adequacy or inadequacy of the Nash method, organization is likely to be slow in that part of an industrial cycle in which production has been curtailed, prices have fallen, working forces have been reduced, and unemployment is common. The fear of no job is a very impelling one. And neither the somewhat dormant and rather thoroughly domesticated United Garment Workers' Union nor the more aggressive Amalgamated is in a position at the present time to offer jobs to those who have severed their connections with jobs in behalf of the cause of unionism. The Amalgamated is, however, under pressure from employers who have signed contracts with them and who feel that the Nash Company is somewhat competing with them in the selling market on the basis of labor costs below the schedule they are paying under their collective agreements. The Amalgamated must, furthermore, protect its workers who will also lose if Nash takes away work from organized shops. Therefore, it is working cautiously, getting in contact with the Nash workers, and talking unionism, but avoiding all condemnation of those workers who do not join. "If we labeled them scabs, they'd feel like scabs and we would never get anywhere," says a union organizer. "We do not blame them for working under Nash's terms; they can't help themselves—yet."¹

It is rather common testimony of men in close touch with the working conditions in the Nash plant that Mr. Nash is too busy with his outside talks and conferences to know and understand his workers. Incident after incident is related to illustrate this conclusion. No single incident is sufficient in itself to establish this position but in the aggregate these incidents present a formidable support of the statement. The problem

¹ Mr. Nash has already had one meeting with Mr. Hillman over the question of organization. Evidently no settlement was effected for the struggle to organize his shop continues. It is evident that if organization is inevitable it is desirable to invite one particular union to come in and organize. Subsequent relationships are likely to be more smooth than when a union has fought its way into an organization despite every effort of management to keep it out.

of understanding is not a new one. It is after all the real problem in managing labor; control must be evolved in terms of understanding. What methods are most successful is yet a question. But if it is true that workers insist, not only upon continuous employment, good wages, rising standards of living, and various elements of security for the present and future, but also upon some voice in industrial government, then the Nash Company has so far failed even to approximate a solution of personnel problems.

The infrequent meetings addressed by Mr. Nash, even though supplemented by judicious propaganda on the part of executives and by a certain democratic freedom among the workers do not constitute industrial government. Granted that industrial government need not be representative government to be democratic, there are too many elements of coercion present in the business to enable one to identify its group meetings with the town meeting type where government was by direct participation. Complete government could not be expected. Such government does not spring into being overnight. It is a matter of growth. One could scarcely have expected the Nash Company to have evolved a thoroughgoing method of workers' participation. One could expect, however, on the basis of the utterances of Mr. Nash, that a real start had been made. Upon investigation it is apparent that there is little real representation or real participation of workers in the control of the organization. There is no particular understanding of the things which workers value and there is no beginning of a system looking forward to bringing the workers into direct contact with management through representatives who are courageous and competent enough to utter the truth.

The business has done well so far in getting production out of its personnel. There is no noticeable restriction upon output. The workers work so diligently that visiting representatives of other clothing concerns say that they cannot match the performance in their factories. This is not wholly due to the Golden Rule spirit. One very real additional reason is because the workers know that advancement is based upon individual performance.

Although there are no formal records, just as there are no time clocks, Mr. Camello has the records in his head and also the time at which the workers arrive in the morning. Another reason is the fact that wages paid to piece workers (who are ordinarily difficult to handle) are out of proportion to those of others in the shops who, being largely girls, women, and the older men, are held to their jobs through the appeal which Mr. Nash directs at their religious life, fear of loss of their jobs, absence of working-class consciousness, and inability to do better elsewhere, at least on the present labor market. As long as these factors continue to exist the Nash Company will possess a production differential particularly as compared with organized shops, but there is no assurance that the company has either found a permanent solution for the problem of securing speed in work or enlisted throughout the organization the will to do.

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